

Culp Elliott & Carpenter, P.L.L.C. - Offshore Foreign Bank Account Reporting (FBAR) and International Tax Planning

Richard A. Pelak and William R. Culp, Jr., partners at Culp Elliott and Carpenter, advise clients on how to participate in the 2011 IRS Amnesty Program for reporting offshore accounts. They also advise clients on international estate and income tax planning matters.

On February 8, 2011, the IRS introduced a new amnesty settlement initiative for undisclosed offshore accounts. The terms of the program include the following, which must be completed by August 31, 2011.

1. Participants must file all tax returns, original or amended.
2. Applicants must pay back taxes and interest for up to eight years, in addition to accuracy related and/or delinquent penalties.
3. A 25 percent penalty on the taxpayers' undisclosed offshore accounts, calculated on the highest aggregate account balance between 2003 and 2010.

Mr. Pelak and Mr. Culp are currently representing numerous individuals, companies and trusts concerning the voluntary disclosure of undisclosed offshore accounts. Though a common misconception, it is not illegal to have offshore bank accounts. U.S. taxpayers have numerous valid reasons for maintaining foreign bank accounts. Issues may arise, however, if taxpayers fail to disclose the existence of these accounts or fail to report any income derived from them. In recent years, the IRS has been aggressively pursuing taxpayers suspected of hiding income in offshore accounts and is currently investigating a number of banks in Switzerland, India, the Caribbean and around the world. It is likely the increased scrutiny will persist as the IRS continues their pursuit of U.S. taxpayers with undisclosed foreign accounts.

Attorneys at Culp, Elliott and Carpenter not only represent clients in foreign bank account disclosures, but also represent individuals and business entities in the following areas:

- Gifts of foreign assets to U.S. citizens
- Repatriation of offshore funds to U.S.
- In-bound foreign investments into U.S.
- Creation of U.S. trusts (and in-bound foreign trusts) by non U.S. residents
- Federal and state civil tax audits and litigation
- Federal and state criminal investigations

The attorneys and CPAs at Culp Elliott & Carpenter have the ability and experience to support and guide taxpayers as they navigate the complex regulations related to foreign bank accounts and other international tax matters. Our professionals can assist with international tax planning and the filing of appropriate paperwork, including amended returns, to ensure our clients are in compliance with IRS regulations. For more information, please contact Richard A. Pelak at rap@ceclaw.com or (704) 973-5331 or William R. Culp, Jr. at wrc@ceclaw.com or (704) 973-5333.

Profile – Richard A. Pelak: <http://www.ceclaw.com/partners/richard-pelak>

Profile – William R. Culp, Jr.: <http://www.ceclaw.com/partners/william-culp>